

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re : Chapter 11 Case No.
LEHMAN BROTHERS HOLDINGS INC., *et al.*, : 08-13555 (JMP)
Debtors. : (Jointly Administered)
: :
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**ORDER TO SHOW CAUSE AND NOTICE FIXING HEARING DATE TO CONSIDER
DEBTORS' MOTION TO (A) ESTABLISH SALES PROCEDURES; (B) APPROVE
A SELLER TERMINATION FEE AND A REIMBURSEMENT AMOUNT; AND (C)
APPROVE THE SALE OF THE PURCHASED ASSETS AND THE ASSUMPTION AND
ASSIGNMENT OF CONTRACTS RELATING TO THE PURCHASED ASSETS**

Upon the motion, dated October 6, 2008 (the "Sale Motion")¹, of Lehman Brothers Holdings Inc. and its affiliated debtors in the above-referenced chapter 11 cases, as debtors and debtors in possession (together, the "Debtors" and, collectively with their non-debtor affiliates, "Lehman"), to (a) establish sales procedures, (b) approve a Seller Termination Fee and a Reimbursement Amount (each as defined in the Sale Motion), and (c) approve the sale of the Purchased Assets (as defined in the Sale Motion) and the assumption and assignment of contracts relating to the Purchased Assets; and upon the Affidavit of Lori R. Fife Pursuant to Local Bankruptcy Rule 9077-1(a) (the "Affidavit") attesting to the necessity for relief by Order to Show Cause; and it appearing that no notice of this Order to Show Cause need be given, except as provided herein; and after due deliberation and sufficient cause appearing therefor, it is hereby:

¹ Capitalized terms not defined herein shall have the meanings ascribed to them in the Sale Motion.

ORDERED that a hearing (the “Bid Procedures Hearing”) to consider approval of the Bid Procedures Order, including approval of the Bidding Procedures, the Seller Termination Fee, the Reimbursement Amount and the scheduling of the Auction and the Sale Hearing, shall be held before the Honorable James M. Peck, United States Bankruptcy Judge, in the United States Bankruptcy Court for the Southern District of New York, One Bowling Green, New York, New York 10004 on **October 16, 2008, at 10:00 a.m. (New York Time)**, or as soon thereafter as counsel may be heard; and it is further

ORDERED that notice of the Bid Procedures Hearing shall be given by sending a copy of this Order to Show Cause, the Sale Motion, and the proposed orders in connection therewith, via email, fax or overnight mail, on or before **October 7, 2008**, to the Master Service List (as defined in this Court’s Order, dated September 22, 2008, Implementing Certain Notice and Case Management Procedures), and it appearing that no other or further notice need be provided; and it is further;

ORDERED that for purposes of notice of the Bid Procedures Hearing only, notice to those persons or entities “with a particularized interest in the subject matter” of the Sale Motion shall be limited to the Purchaser and those parties who have expressed an interest in purchasing the Purchased Assets as of the date hereof; and it is further

ORDERED that objections and responses, if any, to the Sale Motion must be in writing, shall conform to the Federal Rules of Bankruptcy Procedure and the Local Rules for the United States Bankruptcy Court for the Southern District of New York, and shall be filed with the Bankruptcy Court electronically in accordance with General Order M-242 (General Order M-242 and the User’s Manual for the Electronic Case Filing System can be found at <http://www.nysb.uscourts.gov>, the official website for the Bankruptcy Court), by registered users

of the Bankruptcy Court's case filing system and, by all other parties in interest, on a 3.5 inch disk, preferably in Portable Document Format (PDF), WordPerfect or any other Windows-based word processing format (with a hard-copy delivered directly to Chambers), and shall be served in accordance with General Order M-242, upon (i) the chambers of the Honorable James M. Peck, One Bowling Green, New York, New York 10004, Courtroom 601; (ii) Weil Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153, (Attn: Richard P. Krasnow, Esq., Lori R. Fife, Esq., Shai Y. Waisman, Esq., and Jacqueline Marcus, Esq.), attorneys for the Debtors; (iii) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, New York 10004 (Attn: Andy Velez-Rivera, Paul Schwartzberg, Brian Masumoto, Linda Riffkin, and Tracy Hope Davis); (iv) Milbank, Tweed, Hadley & McCloy LLP, 1 Chase Manhattan Plaza, New York, New York 10005, (Attn: Dennis F. Dunne, Esq., Dennis O'Donnell, Esq., and Evan Fleck, Esq.), attorneys for the official committee of unsecured creditors appointed in these cases; (v) the attorneys for any other official committee(s) appointed in these chapter cases; (vi) Cleary Gottlieb LLP, One Liberty Plaza, New York, NY 10006, (Attn: Lindsee P. Granfield, Esq. and Lisa Schweitzer, Esq.) and Sullivan & Cromwell LLP, 125 Broad Street, New York, NY 10004, (Attn: Robinson B. Lacy, Esq. and Hydee R. Feldstein, Esq.), attorneys for the Debtors' postpetition lenders; (vii) Hughes Hubbard & Reed LLP, One Battery Park Plaza, New York, NY 10004 (Attn: James B. Kobak, David Wiltenburg, and Jeff Margolin), attorneys for James Giddens as SIPA Trustee for Lehman Brothers Inc.; (viii) Ropes & Gray, LLP, 1211 Avenue of the Americas, New York, NY 10036 (Attn: Mark I. Bane, Esq. and Steven T. Hoort, Esq.) and Cleary Gottlieb Steen & Hamilton LLP, One Liberty Plaza, New York, NY 10006 (Attn: James L. Bromley, Esq. and Sean A. O'Neal, Esq.).

attorneys for the Purchaser; and (xi) any person or entity entitled to receive notice of the Sale Motion, so as to be received no later than **October 14, 2008 at 5:00 p.m. (New York Time)**.

Dated: October 6, 2008
New York, New York

s/ JAMES M. PECK

UNITED STATES BANKRUPTCY JUDGE